



# **AIRPORT FINANCING**

## **Aviation's Future**

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## Overview of Presentation

- Sources of Airport funding.
- Airport control/risk.
- Recent national interest.
- FAA's interest.
- Airport Bond Financing overview.



## Sources of Airport Funding

- Rates and charges for airport facilities.
- Federal grant funds (AIP).
- Passenger Facility Charges (PFC).
- State funding (grants, loans, other).
- Local contributions.
- Private capital.
- Retained airport capital.

## Airport Control & Financing Risk - Involved Parties & Risk

- Rates and charges - airlines (MII).
  - Airlines at risk, Airport some risk.
- AIP - FAA and often state.
  - FAA at risk, Airport some risk.
- PFC - FAA and airlines.
  - Airport at risk, Airlines some risk.

## Airport Control & Financing Risk - Involved Parties & Risk

- State and local.
  - State/local gov't at risk, Airport some risk.
- Private - private source (often airline).
  - Private source at risk, Airport at risk.
- Retained airport capital - sometimes airlines.
  - Airport at risk, sometimes minor airline risk.



## Recent National Interest

- PFC program implementation.
- Innovative Financing Report and Pilot Program.
- National Civil Aviation Review Commission.
- GAO Report on Airport Financing.



## FAA's Interest

- PFC program implementation.
- LOI's - ongoing Federal involvement in large projects.
- Innovative Financing Pilot Program.
- NCARC recommendations - Reauthorization.
- Rates and charges/compliance.

**And now on to airport bond  
financing...**

